

## LEE DE FOREST ARRESTED.

Promoter Is Accused of Fraudulent Use of the Mails.

SAN FRANCISCO, March 27.—Lee De Forest of the American De Forest Wireless Telegraph Company was arrested at Palo Alto, Cal., to-day on an indictment from the Southern District of New York charging misuse of the mails.

The indictment, which was returned on March 15, 1912, names James Dunlop Smith, Samuel E. Darby, Elmer E. Burlingame, and the Ellsworth Company as co-defendants with De Forest. It is charged that they attempted fraud by inducing certain persons to send to the Ellsworth Company and the Fiscal Agency Company of New York money for stock in the Radio-Telephone Company, a New York corporation; the Great Lakes Radio-Telephone Company, the Atlantic Radio Company, and the Pacific Radio Company, the three last Arizona corporations.

The defendants are charged with having misrepresented conditions in telling the complaining witnesses that the corporations in question were paying dividends from the net profits of commercial operations. It also is alleged the defendants made false statements concerning the commercial value of the Radio-Telephone.

Another allegation is that Smith attended a meeting of the Board of Directors of the Radio-Telephone Company on May 17, 1908, and that then and at a subsequent meeting attended by De Forest action was taken with intent to defraud possible purchasers of stock in the enterprises named.

De Forest was released from custody to-night on \$10,000 bail furnished by a security company. He will appear before the United States Commissioner to-morrow.

De Forest said to-night he was convinced improper methods had been used in disposing of stock in the Radio Telephone Company, but asserted that he personally was blameless. He also absolved Samuel E. Darby, who, according to De Forest, was his patent lawyer, and as such was placed on the Board of Directors.

He would not resist removal to New York, he said, and added that he was confident of clearing himself of the charges.

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